

Irish Shows Association

**Contractor Insurance
SOP**

After Reading this SOP You Will Understand:

- How to Read & Verify Contractor Key Insurance Details
- How to Identify restrictions/warranties applicable to Contractor's Insurance

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1- Legislation

Legislation- Employers Duties SHWW Act 2005

- Managing and conducting work activities in such a way as to ensure, so far as is reasonably practicable, the safety, health and welfare at work of (his or her employees) those involved in show activities
- Every (employer) show committee shall manage and conduct his or her undertaking in such a way as to ensure, so far as is reasonably practicable, that in the course of the work being carried on, individuals at the place of work (not being his or her employees/members) are not exposed to risks to their safety, health or welfare

2- Contractor Management

- To comply with Legal Requirements the Irish Shows Association Affiliated Shows should ensure good Contractor Management across all affiliated shows.
 - **Contractor Procedure**
 - Insurance cover review and verification (main contractor & sub-contractor)
 - Contractor Approval Documentation (Insurance, Safety Statement, Method Statements, Risk assessments, Training Certs etc.)
 - Engineering certification where required (i.e. amusement equipment etc.)
 - Permit to Work System where deemed necessary based on contractor activity

3- Detail on Contractors Policy Document

➤ Policy document information

- i. Contractor Name
- ii. Contractor Address
- iii. Limit of Indemnity
- iv. Warranties/Exemptions

➤ Employers Liability

≥ €13m

➤ Public/Products Liability

≥ €6.5m

3 – Level of Cover & Limits on Policies

- **Limit of indemnity;**

- **Employers Liability** – the limit of indemnity should be >€13m. If less instruct contractor to increase it. Consult FBD if necessary.
- **Public / Products Liability** – the limit of indemnity should **never be < €2.6m** or its equivalent in any other currency. This is the minimum recommended by current standards. Contractor may be required to have a higher limit under contract. Higher limits might be expected where work is to be carried out in high exposure areas or locations. If the contract is for supplying products then you should reasonably look for product liability cover for the same limit as the public liability.

- **Information;**

- **Inner limits** – if any inner limits apply, you should insist that the contractor have them increased in line with the normal public liability limit. These normally refer to hot work, fire risks or pollution risks.
- **Special extensions** – these should always include a reference to a principals clause under which the Irish Shows Association or a subsidiary is indemnified. This is essential. Another version of this is a specific indemnity to Irish Shows Association/Affiliated Show by name.

4 - Warranties/Restrictions on Policies

- Warranties will not be applicable to all, but each contractors insurance particulars must be assessed relative to the project or work being carried out.
- Copy of the contractors insurance policy should be maintained for show records file
- Ensure name & address of the contractor insured under the policy is the correct name of the company/person being contracted with.
- Be careful where different UK & Irish subsidiary companies are involved, related to the same parent company.
- Note business description recorded on the policy. Ensure that the work proposed fits into this as otherwise the cover may be invalidated. If in doubt, check with FBD.

4 - Warranties/Restrictions on Policies

- Note expiry dates of cover relative to project time frame.
- Ensure Employers Liability & Public Liability is in force with dates not yet expired. This is the minimum required to consider employing the contractor if you are under pressure to do so provided insured business description is okay.
- Remember, if the renewal date is not well in the future, it could be a case that the policy has been renewed but the new policy has not yet been issued. Check with FBD/contractors insurer to ensure details haven't changed, where this may require such clarification.
- Each year confirmation of renewal of the policies should be obtained as soon as possible.

4 - Warranties/Restrictions on Policies

- **Restrictions / Conditions** – this highlights special limiting features which you should be aware of. All must be strictly complied with by the contractor and you should ensure this by appropriate monitoring. Otherwise the insurance will/may be invalidated.
 - Height & depth limits are common. Ensure they are observed.
 - Heat warranty/condition (also called burning & welding warranty or hot work warranty or fire precautions or similar) is a set of rules which apply when the contractor undertakes this work on site, should dovetail with hot work permit system.
 - Safety statement condition – contractor should have current & work specific safety statement on site which may need support with method statements.
 - Specific activities excluded – if this is indicated then the policy does not apply to the activity.
 - Checking of sub-contractors insurances – this requires the contractor to check the insurances of sub-contractors if he uses any.

4 - Warranties/Restrictions on Policies

- In respect of contractors the most important matter is that they have in force current employers liability and public liability which covers the type of work you wish to have carried out and that they provide the minimum limits of indemnity (without inner limits) and include an indemnity in your favour. This is really 95% of what you wish to know.
- When considering the insurances of contractors you should;
 - Start with ones doing the most hazardous work
 - Then the ones spending most time on the site
 - Focus on contractors that are most likely to involve you in claims
 - Work down the list accordingly from here to lesser risk contractors such as;
 - Service suppliers involved in low risk activities
 - Contractors working off site
 - Contractors involved in deliveries only

5 - Contractor Register

- All contractor details, insurance details & warranties / restrictions must be held on show safety file.
- All show contractor Liaison Persons to have access to this safety file with verified Contractor list.
- The verified contractor list should be checked and updated annually or as the need arises by each show contractor liaison person when using contractors services.
- Contractors should be advised on show requirements and rules & this recorded on contractor verification checklist sheet.

6 - Insurance Verification Questions

- If unsure with regard to any contractors insurance cover, check with person responsible for insurance cover and renewal within the Irish Shows Association and/or FBD.

